

0610.03 Vendor Performance – *Post-Award*

Issued October 31, 2007

SUBJECT: Vendor Performance – Post-Award

APPLICATION: Executive branch departments and sub units.

PURPOSE: To prescribe the process for reporting, responding, and inquiring on vendor performance activity (both positive and negative).

CONTACT AGENCY: Department of Management and Budget (DMB)
Business Services Administration
Purchasing Operations (PurchOps)

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SUMMARY: These procedures apply to vendor performances, either positive or negative. These procedures are mandatory for executive branch departments unless specifically provided otherwise by statute.

The Vendor Performance module in ADPICS was implemented to provide State agencies with a mechanism for recording vendor performance issues (both positive and negative). This process is important in establishing and maintaining a record of vendor performance, as well as providing documentation necessary for contract management. Agencies are able to inquire on current investigations, as well as view a vendor's complete history of performance through this application.

APPLICABLE FORMS AND PROCESSES: Contract Compliance Report(s)
Vendor Score Card(s)
MAIN Electronic Documents & Processes:

- Vendor Performance (PCHL 5260)
- Vendor Performance Disposition (PCHL 5270)
- Vendor Performance Inquiry (PCHL 5280)

DMB PurchOps Procedures & Policy Letters:

- Signature Authority Letter
- PurchOps Internal Procedures for contract compliance monitoring, vendor performance, contract change processing, and contract close out.

Procurement documentation:

- Notice of Contract/Blanket Purchase Order (BPO) with all executed Contract Change Notices (CCN)
- Purchase Order (PO) with any posted Advices of Change (AC)
- Direct Purchase Order (DPO) with any posted changes
- Documentation surrounding vendor performance communications formal and informal
- Contract Folder Tabs 1-6

APPROVALS: Agency & PurchOps: Internal and external approvals must be obtained and documented according to agency policies and procedures, including provisions surrounding signature authority.

PROCEDURES:

For Negative Formal Performance Reports:

Agency:

- Must follow their department's procurement policies and procedures, recognizing that the policies and procedures of the delegating authority supersede those of the department in the event of a conflict.

Department/Agency Contract Compliance Inspector (CCI):

- Identifies that a problem exists with a vendor's performance relative to an existing PO, DPO, or BPO.
- Reviews the terms, conditions, and specifications of the contract to verify that the expected level of performance is truly a requirement of the contract. It is important to understand the contract and know the obligations of both the contractor and the State.
- Makes initial voice contact with the vendor in an attempt to resolve the issue. To give the vendor adequate notice, or time to refute or resolve the complaint, contact should be made close to the date of the incident that gives rise to the complaint. Agency may include the following points in the conversation:
 - Description of the specific problem.
 - Description of the actions the vendor must take to resolve the problem.
 - Date by which the actions need to be taken (allow reasonable time appropriate to the circumstances).
 - Note: It is critical for the results and content of this discussion to be documented as a note to file to provide a point of reference for any future communications surrounding the matter.
- In the event the issue is not adequately resolved in response to the verbal communication initiates/creates a Vendor Performance record (PCHL5260) including the following:
 - Vendor ID and Mail Code
 - Performance Code (F2 table lookup)
 - Order Number - it is very important to enter the PO, DPO, or BPO number in this field.
 - A detailed description of the complaint (including dates, part numbers, invoice numbers, etc).
 - Highlights of any conversations with the vendor (including date of contact, name of person contacted, actions to be taken, and deadline for completing the actions)
 - Indication of the desired action to be taken by PurchOps.
 - Name of the agency contact person and telephone number. It is very important to include this information in the Contact and Phone fields on the vendor performance record. With this information, the vendor can follow-up with any questions or concerns, and PurchOps can report disposition.
 - Evaluate resolution if resolved.
- Once the vendor performance record is completed, sends a signed copy to the vendor.
- If the situation requires the immediate intervention of PurchOps, calls the designated PurchOps contract administrator, buyer who initiated the contract, or PurchOps at 517-335-0230 to provide assistance in resolving the issue.
- A Performance ID number is assigned to the document once it's saved. At any time, agencies may inquire on the status of the investigation or on all vendor performance records for a vendor, using the Vendor Performance Inquiry (PCHL 5280).

PurchOps:

- Each week PurchOps will generate a report of vendor performance records that were created the previous week, as well as all unresolved vendor performance records. PurchOps will contact the agency on each vendor performance. If a resolution has occurred, PurchOps will post the vendor performance with a resolution and disposition

(PCHL5270). If the problem has not been resolved, PurchOps will work with the agency and vendor to resolve the issue(s).

- The PurchOps contract administrator maintains the responsibility for investigating the matter at issue thoroughly before determining an appropriate disposition. This includes a review of all documentation surrounding the issue as presented by both the agency and the contracted vendor. As part of this review PurchOps will assess the level to which each party met, or failed to meet their contractual obligations, and the impact this success or failure brings to bear on the matter under review.
- Through the course of the vendor performance resolution process, it may be necessary for PurchOps to meet with the vendor and agency representatives either jointly or independently, to determine the most appropriate course of action for resolution. The primary goal in resolving a performance issue is to reach an agreement which keeps all parties whole without additional sacrifice to the overall project goals, thus pursuit of contract cancellation should be considered a last resort.
- PurchOps will make every effort to resolve vendor performance records within 30 days of assignment. PurchOps will post the vendor performance with the resolution/disposition (PCHL5270) or document the action plan to resolve the problem which, as determined by PurchOps in consultation with the involved parties, is the best resolution alternative.
- Vendor performance records on contracts that were within agency delegated authority, and remain within delegated authority at the time of the performance issue, can be posted by the agency at the creation phase (PCHL5260), but must be posted by PurchOps at disposition (PCHL5270).
- For contracts that fall outside of agency delegated authority, either initially or through modification, PurchOps must be the party that takes any necessary action related to canceling a contract, issuing a stop work order, or the suspension or debarment of a vendor, after consideration and consultation with the using agency of a contract regarding available alternatives.

For Positive Performance Reports:

Agency/Contract Compliance Inspector/PurchOps:

- All procedures remain the same as above for negative reports with the following modifications:
 - Vendor Performance record completed in MAIN (PCHL5260) includes a detailed description of the positive performance (including dates, part numbers, invoice numbers, etc).
 - Indication of the desired action to be taken by PurchOps (if any).
 - Name of the agency contact person and telephone number. It is very important to include this information in the Contact and Phone fields on the vendor performance record.
- Once the vendor performance record is completed, sends a signed copy to the vendor.
- As with negative performance records, a Performance ID number is assigned to the document once it's saved, and the details surrounding the report, remain available through MAIN Vendor Performance Inquiry (PCHL 5280) for use in evaluation of future solicitations or other requested reports.

AUTHORITY: Relevant Acts:

- Public Act 431, of 1984 as amended (Governing Authority)

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